Economic Impact Assessment
Amend subsection (d) of Section 27.80, Title 14, CCR

The Pacific Fishery Management Council (PFMC) coordinates west coast management of recreational and commercial ocean salmon fisheries in the federal fishery management zone (three to 200 miles offshore) along the coasts of Washington, Oregon and California. The annual PFMC ocean salmon regulation recommendations are subsequently implemented by the National Marine Fisheries Service (NMFS) effective on May 1 of each year.

Although the recommendations of the PFMC for the 2014 ocean salmon season are unknown at this time, the Department anticipates that recreational salmon fishing effort will remain within ten percent of the 2013 season. For the purpose of evaluating potential economic impacts of the 2014 ocean salmon regulations, the Commission analyzed possible reductions in ocean salmon recreational effort ranging from zero (no change) to ten percent (see attached calculations worksheet). The following projections cover this expected range.

The base year used for estimating the 2014 economic impacts is the 2012 salmon season, the latest full year of economic data. In 2012, the ocean salmon recreational fishery generated an estimated $24 million (2012 dollars) in total economic output to the State. A ten-percent reduction in the fishery would amount to, at most, a $2.4 million reduction in total economic output for the State, relative to the 2012 season. As a general rule, for every 5,000 salmon harvested in the ocean recreational fishery, there is approximately $1 million in potential total economic contribution to the State.

A. Effects of the regulation on the creation or elimination of jobs within the State

Using the 2012 salmon season as a base year for comparison, the California ocean salmon recreational fishery supports an estimated 180 jobs in the State. Generally, for every 5,000 salmon harvested in the ocean recreational fishery, there are approximately 7.3 jobs supported in the State. Three projected fishing activity levels were considered, which entail various levels of restrictions on the ocean salmon recreational fishery, as follows:

Projection 1. No change to last season's regulations with the doubling of the possession limit; a 100 percent level of fishing activity relative to 2013 season. No effect on the creation or elimination of California jobs.

Projection 2. A 95-percent level of fishing activity relative to 2013 season, with the doubling of the possession limit; thus a 5-percent incremental reduction. This could result in a loss of nine jobs in those California businesses that support the ocean salmon recreational fishery.

Projection 3. A 90-percent level of fishing activity relative to 2013 season, with the doubling of the possession limit; thus a 10 percent incremental reduction. This could result in a loss of 18 jobs in those California businesses that support the ocean salmon recreational fishery.

B. Effects of the regulation on the creation of new businesses or the elimination of existing businesses within the State

The three projections of expected fishing activity represent potential direct impacts to businesses providing goods and services to ocean salmon recreational anglers as follows:

Projection 1. No change, or 100-percent, level of fishing activity with the doubling of the possession limit would have no effect on the creation of new businesses or the elimination of existing businesses in the State.

Projection 2. A 95-percent level of fishing activity with the doubling of the possession limit could have direct adverse economic impacts to businesses that provide fishing goods and services in the amount of $0.8 million, though this is not expected to affect the creation or elimination of businesses in the State.

Projection 3. A 90-percent level of fishing activity with the doubling of the possession limit could have direct economic impacts to businesses that provide fishing goods and services in the amount of $1.7 million in business losses. This may affect the creation or elimination of businesses in the State in some localized areas that lack industry diversification and have a heavy reliance on recreational fishing and tourism. Many ocean fishing port businesses offer alternative, substitute, fishing resources and activities for salmon anglers.

C. Effects of the regulation on the expansion of businesses currently doing business within the State

Projection 1. No change, or 100-percent, level of fishing activity with the doubling of the possession limit would have no effect to the expansion of businesses in the State.

Projection 2. A 95-percent level of fishing activity with the doubling of the possession limit could have direct adverse economic impacts to businesses that provide fishing goods and services in the amount of $0.8 million, though this is not expected to affect investment and business expansion in the State.

Projection 3. A 90-percent level of fishing activity with the doubling of the possession limit could have direct economic impacts to businesses that provide fishing goods and services to ocean salmon anglers, in the amount of $1.7 million in business losses. This may affect businesses in the State, offering goods and services to ocean salmon anglers. Offsetting this potential loss to fishing port business communities, are related or substitute fishing resources and recreational activities for anglers. Some level of reduced demand for terminal tackle and equipment used in ocean salmon fishing would likely occur. Any corresponding decrease in sales for businesses

selling those goods would not be expected to induce business expansion in the State.

D. Benefits of the Regulation

Concurrence with Federal Law:

California's sport and commercial ocean salmon fishing regulations need to conform to the new Federal regulations to achieve optimum yield in California. The PFMC annually reviews the status of west coast salmon populations. As part of that process, it recommends west coast adult salmon fisheries regulations aimed at meeting biological and fishery allocation goals specified in law or established in the Salmon Fishery Management Plan. These recommendations coordinate west coast management of sport and commercial ocean salmon fisheries off the coasts of Washington, Oregon, and California and California inland sport salmon fisheries. These recommendations are subsequently implemented as ocean fishing regulations by the NMFS and as sport salmon regulations for state marine and inland waters by the Commission.

Benefits of the regulation to the health and welfare of California residents

The proposed regulations are to conform to federal fisheries management allowable harvest levels, intended to sustain the fishery for the enjoyment of all California residents.

Benefits of the regulation to worker safety

The proposed regulations are to conform to federal fisheries management allowable harvest levels, and intended to sustain the fishery. As such, the agency is not aware of any consequences to worker safety that could arise from the proposed regulations.

Benefits of the regulation to the State's environment

The Commission anticipates benefits to the environment. Adoption of scientifically-based ocean salmon seasons, size limits, and bag and possession limits provides for the maintenance of sufficient populations of salmon to ensure their continued existence.

Other Benefits of the regulation

Other benefits of the proposed regulations are resource sustainability that supports the continuation of activities dependent on the salmon fishery. Maintaining healthy populations of salmon can translate into significant economic contributions to the State: in 2012 recreational ocean salmon activities contributed as much as $24 million in total economic output, $9.5 million in wages, and 180 jobs for Californians.

ATTACHMENT

Economic Impact Assessment Calculations Worksheet

Total Projected Economic Contribution Of The California Salmon Fishery In 2014 -- Calculations Worksheet and Summary Tables

Projected Economic Impacts Of 2014 Salmon Fishery To California's Economy *9/17/2013*

Calculations Worksheet Ocean Salmon Angling	Number of Salmon Angler Trips (dys)	Direct Impact (2012$)	Final Economic Output Impact (2012$)	Earnings Impact (2012$)	Employment (# jobs)
100% Seasonal Activity Level (2012 basis)	146,471	$ 16,709,531	$ 23,961,742	$ 9,500,063	179
95% Seasonal Activity Level (2012 basis)	139,147	$ 15,874,055	$ 22,763,655	$ 9,025,059	170
90% Seasonal Activity Level (2012 basis)	131,824	$ 15,038,578	$ 21,565,568	$ 8,550,056	161
***102.4% Seasonal Activity Level (2012 basis)**	150,000	$ 17,112,123	$ 24,539,065	$ 9,728,952	184
Multipliers			*1.4340*	*0.5685*	*10.7299*

Notes:
All dollar amounts are adjusted to year 2012 prices, denoted as 2012$, using US Dept of Commerce Implicit Price Deflators for Gross Domestic Product - Table 1.1.9.
http://www.bea.gov/bea/dn/nipaweb/SelectTable.asp?Selected=Y

IMPLAN Multipliers From Input-Output Analysis	Final Economic Output Multiplier	Earnings Multiplier	Jobs Multiplier (per $1,000,000)
Sports Angling Sector - Ocean	*1.4340*	*0.5685*	*10.7299*

Incremental Change from 2012 Fishing Levels in Angler Trips

Calculations Worksheet Ocean Salmon Angling	Incremental Change in Number of Salmon Angler Trips (dys)	Incremental Direct Impact (2012$)	Incremental Final Economic Output Impact (2012$)	Incremental Earnings Impact (2012$)	Incremental Employment Impact (# jobs)
100% Seasonal Activity Level (2012 basis)	0	$ -	$ -	$ -	0
95% Seasonal Activity Level (2012 basis)	(7,324)	$ (835,477)	$ (1,198,087)	$ (475,003)	-9
90% Seasonal Activity Level (2012 basis)	(14,647)	$ (1,670,953)	$ (2,396,174)	$ (950,006)	-18
***102.4% Seasonal Activity Level (2012 basis)**	3,529	$ 402,591	$ 577,322	$ 228,890	4
Multipliers			*1.4340*	*0.5685*	*10.7299*

Notes:
All dollar amounts are adjusted to year 2012 prices, denoted as 2012$, using US Dept of Commerce Implicit Price Deflators for Gross Domestic Product - Table 1.1.9.
http://www.bea.gov/bea/dn/nipaweb/SelectTable.asp?Selected=Y

Incremental Change from 2012 Fishing Levels in Fish Harvest

Calculations Worksheet Ocean Salmon Angling	Incremental Change in Number of Salmon Angler Trips (dys)	Incremental Direct Impact (2012$)	Incremental Final Economic Output Impact (2012$)	Incremental Earnings Impact (2012$)	Incremental Employment Impact (# jobs)
Zero reduction in salmon take, relative to base year 2012	0	$ -	$ -	$ -	0
5K fish reduction in salmon take, relative to base	(6,000)	$ (673,000)	$ (965,000)	$ (383,000)	-7
10K fish reduction in salmon take, relative to base	(12,000)	$ (1,346,000)	$ (1,930,000)	$ (766,000)	-14

Notes:
All dollar amounts are adjusted to year 2012 prices, denoted as 2012$, using US Dept of Commerce Implicit Price Deflators for Gross Domestic Product - Table 1.1.9.
http://www.bea.gov/bea/dn/nipaweb/SelectTable.asp?Selected=Y

Angler Trips Source: Stock Assessment and Fishery Evaluation (SAFE) Documents: *Review of 2012 Ocean Salmon Fisheries*, Appendix A, Table A-4, PFMC Feb 2013.